

## Message Text

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E.O. 11652: N/A

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SUBJECT: NOVI SAD AGRICULTURAL FAIR

SUMMARY: OFFICIAL U.S. INTER-AGENCY EXHIBIT AT NOVI SAD AGRICULTURAL FAIR, WHICH INCLUDED 19 FIRMS AND ORGANIZATIONS (10 NEW TO MARKET) REPRESENTING U.S. INDUSTRY AND AGRICULTURE, CLOSED MAY 18 AFTER HIGHLY SUCCESSFUL SHOW. ON OPENING DAY, MAY 10, CHARGE D'AFFAIRES MILLER AND ASSISTANT SECRETARY OF AGRICULTURE LONG WELCOMED VICE PRESIDENT STAMBOLIC AND AGRICULTURE MINISTER KUSTRAK TO U.S. PAVILIONS. OTHER HIGHLIGHTS INCLUDED SEMINAR ON CATTLE FEEDING, MAY 12, CHARGE MILLER'S RECEPTION MAY 13 AND PRESENTATION OF GOLDEN PLAQUE BY FAIR DIRECTOR DRAGIN MAY 16. DURING THE FAIR, ORDERS WERE TAKEN AND CONTRACTS CONCLUDED FOR OVER \$9 MILLION; \$7 MILLION IN EQUIPMENT AND OVER \$2 MILLION IN DAIRY CATTLE, SEMEN, AND POULTRY STOCK. EXHIBITORS EXPECT THAT FULL YEAR SALES WILL REACH \$20 MILLION. THEY WERE IMPRESSED BY SIZE OF YUGOSLAV MARKET AND CONTACTS WITH YUGOSLAV AND EASTERN EUROPEAN BUYERS MADE AT FAIR, AND VERY PLEASED WITH USEFULNESS, SERVICES PROVIDED, AND RESULTS OF PARTICIPATION IN U.S. EXHIBIT. EXHIBIT'S SUCCESS WAS ACHIEVED BY JOINT EFFORTS OF EMBASSY COMMERCIAL AND AGATTACHE STAFFS, STRONG SUPPORT PROVIDED BY ADMINISTRATION SECTION, AND ESSENTIAL USIS ROLE. MISSION STRONGLY RECOMMENDS OFFICIAL U.S. PARTICIPATION AT 1976 NOVI SAD FAIR, GIVEN STRONG DEMAND IN YUGOSLAV AGRICULTURAL SECTOR AND EMPHASIS ON PROMOTION OF AGRICULTURAL MACHINERY IN COMMERCE ANTI-RECESSION

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CAMPAIGN. END SUMMARY.

THIS REPORT SHOULD NOT BE CIRCULATED OUTSIDE U.S. GOVERNMENT AGENCIES AS EXHIBITORS PROVIDED DETAILS IN CONFIDENCE. AIRGRAM WITH INFORMATION AND PHOTOS SUITABLE FOR PUBLICATION FOLLOWS.

1. U.S. EXHIBITION AT NOVI SAD AGRICULTURAL FAIR FEATURED TWO PAVILIONS TIED TOGETHER BY PROMOTIONAL ACTIVITIES AND UNITY OF DESIGN AND DECORATION. MAIN U.S. EXHIBIT, FEATURING THREE USDA COOPERATORS, 7 COMMERCIAL EXHIBITORS AND 7 CATALOG PARTICIPANTS WAS CONTAINED IN LARGE PAVILION IN INTERNATIONAL AREA INCLUDING 900 SQUARE METERS INDOORS AND 600 SQUARE METERS OUTDOORS. THE PAVILION FEATURED A MOVIE THEATER WHICH AFFORDED SPACE FOR SEMINAR AND SEPARATE MEETING OF KOMBINATS AND DREW LARGE CROWDS TO FILMS PROVIDED BY EXHIBITORS AND FROM USIS FILES. ADDITIONAL EXHIBITS IN LIVESTOCK AREA INCLUDED 2 USDA COOPERATORS AND A DISPLAY OF HOLSTEIN-FRIESIAN DAIRY CATTLE PROVIDED BY THEIR OWNER, THE AGRICULTURAL KOMBINAT, PIK "BECEJ".

#### HIGHLIGHTS OF PROGRAM

2. HIGHLIGHT OF OPENING DAY WAS VISIT TO U.S. PAVILIONS BY VICE PRESIDENT OF THE PRESIDENCY PETAR STAMBOLIC, AGRICULTURE MINISTER IVO KUSTRAK AND OTHER GOVERNMENTAL OFFICIALS. THEY DISPLAYED CEEN INTEREST IN EQUIPMENT AND LIVESTOCK, AND STOPPED TO QUESTION SEVERAL EXHIBITORS ON THEIR PRODUCTS. ON MONDAY, MAY 12, A SEMINAR ON CATTLE RAISING AND LIVESTOCK FEED CO-SPONSORED BY AMERICAN SOYBEAN ASSOCIATION AND U.S. FEED GRAINS COUNCIL DREW ABOUT 200 TECHNICIANS AND MANAGERS FROM MAJOR YUGOSLAV KOMBINATS. ON WEDNESDAY, MAY 14, THEATER WAS MADE AVAILABLE FOR A MEETING OF ABOUT 100 PERSONS FROM KOMBINATS. BOTH SEMINAR AND KOMBINAT MEETING ATTRACTED ADDITIONAL BUYERS TO EXHIBIT. THE AMERICA DAY RECEPTION HOSTED BY CHARGE D'AFFAIRES MILLER ATTRACTED MORE THAN 300 GUESTS FROM HIGHEST LEVELS OF CONCERNED AREAS OF GOVERNMENT, EDUCATION AND AGRIBUSINESS, INCLUDING SUCH DIGNITARIES AS AGRICULTURE MINISTER KUSTRAK AND PRESIDENT OF VOJVODINA EXECUTIVE COUNCIL KMEZIC. ON FRIDAY MAY 16, AGRICULTURE MINISTER KUSTRAK, ACCOMPANIED BY FAIR GENERAL MANAGER NIKOLA DRAGIN AND OTHER FAIR OFFICIALS, AGAIN VISITED U.S. EXHIBITION FOR DETAILED TOUR AND DISCUSSIONS WITH INDIVIDUAL EXHIBITORS. HE VOICED DESIRE OF YUGOSLAVIA TO INCREASE TRADE WITH U.S. AS COMPARED

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TO TRADE WITH WESTERN EUROPE AND OFFERED TO ASSIST U.S. BUSINESSES IN MAKING CONTACT WITH YUGOSLAV FIRMS. DURING THIS VISIT FAIR MANAGER DRAGIN PRESENTED A GOLDEN PLAQUE TO THE U.S. EMBASSY IN RECOGNITION OF ITS VERY SUCCESSFUL EXHIBIT.

#### COMMERCIAL RESULTS

3. ON BOTH AGRICULTURAL AND COMMERCIAL SIDES, U.S. PARTICIPATION

WAS HIGHLY PROFITABLE. FOLLOWING RESULTS WERE OBTAINED  
(DETAILS NOT REPEAT NOT CLEARED):

(1) JOHN DEERE CONCLUDED CONTRACTS FOR \$6.5 MILLION IN EQUIPMENT TO BE DELIVERED IN 1975, INCLUDING ONE \$2 MILLION CONTRACT. DEERE OFFICIALS ANTICIPATE TOTAL 1975 SALES IN YUGOSLAVIA TO EXCEED \$12 MILLION. IN ADDITION, THEY RENEWED CONTACTS WITH BUYERS FROM BULGARIA, HUNGARY AND THE SOVIET UNION. DEERE OFFICIALS REAFFIRMED IMPORTANCE OF YUGOSLAV MARKET AND OF NOVI SAD FAIR. MAIN DEERE EXHIBIT WAS LOCATED ELSEWHERE ON FAIR-GROUNDS. THEY USED FAIR TO INTRODUCE NEW MODELS OF LRGE TRACTORS, WHICH DREW GREAT ATTENTION, AND TOOK SPACE IN U.S. EXHIBIT TO TIE IN WITH OFFICIAL U.S. PRESENCE AND TO USE AUDIO-VISUAL FACILITIES FOR SPECIAL FILM SHOWINGS TO PROSPECTIVE BUYERS. THEY STATED THEY WOULD LIKE TO HAVE THEIR COMPLETE EXHIBIT UNDER THE U.S. FLAG IF USG COULD PROVIDE 500 SQUARE METERS OVER SEVERAL YEARS.

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(2) INTERNATIONAL HARVESTER ENDED THE FAIR WITH ORDERS FOR OVER \$500 THOUSAND IN EQUIPMENT IN VARIOUS STAGES OF COMPLETION. SERIOUS DISCUSSIONS FOR MUCH MORE EQUIPMENT WERE BEGUN AND IH OFFICIALS ESTIMATE 1975 SALES WILL REACH \$3 MILLION. IH BASES THIS ESTIMATE LARGELY ON TRANSACTIONS INITIATED AT FAIR. IH STRESSED IMPORTANCE OF NEW CONTACTS MADE AT FAIR WITH BUYERS FROM POLAND, HUNGARY, AND BULGARIA AS WELL AS YUGOSLAVIA.

(3) FARMHAND, REPRESENTED BY ITALIAN AGENT VAZZOLER, ACHIEVED

GOOD RESULTS. BOTH MACHINES DISPLAYED, BIG ROLL BALER AND TUB GRINDER, WERE SOLD AND ORDERS FOR SEVERAL ADDITIONAL UNITS WERE TAKEN.

(4) INTERNATIONAL LIVESTOCK IMPROVEMENT SERVICES CORP. AMES, IOWA MADE AN EXCELLENT ENTRY INTO YUGOSLAV MARKET. ILIS TOOK ORDERS FOR NEARLY \$50,000 WORTH OF ULTRASONIC INSTRUMENTS FOR HOG PREGNANCY CHECKS AND MEAT ANALYSIS AND EXPECTS SUBSTANTIAL SALES FROM CONTACTS MADE AT FAIR. ILIS HAS CONCLUDED ARRANGEMENTS FOR YUGOSLAV REPRESENTATION AND, IN ADDITION, HAS MADE CONTACT WITH YUGOSLAV FIRM INTERESTED IN LICENSING THEIR PRODUCTS.

(5) ZERO MANUFACTURING CO., WASHINGTON, MO., ALSO NEW TO MARKET, ACHIEVED EXCELLENT CONTACTS FOR SALE OF ITS BULK MILK TANKS. NEGOTIATIONS ARE IN PROGRESS FOR SALES REPRESENTATION AS WELL AS FOR LICENSING AND ASSEMBLY IN YUGOSLAVIA.

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(6) TECHNICAL INDUSTRIES, INC., FORT LAUDERDALE, FLA, WAS HAMPERED IN SALES RESULTS BY ABSENCE OF COMPANY PERSONNEL. HOWEVER, THEIR DAIRY CATTLE FEED/MILK ANALYSIS AND MONITORING SYSTEMS ACHIEVED GOOD INTRODUCTION TO MARKET AND GENERATED NUMEROUS CONTACTS FOR SALES AND REPRESENTATION POSSIBILITIES.

(7) COBB INC. OBTAINED SEVERAL NEW CONTACTS AND INTEREST IN THEIR CHICKEN BREEDING STOCK. COBB REPRESENTATIVES TOOK ORDERS FOR OVER \$15,000 IN FERTILE EGGS AND CHICKENS FOR BREEDING.

(8) FINALLY, THE 7 CATALOG EXHIBITORS, PRESENT FOR THE FIRST TIME IN YUGOSLAVIA MARKET, OBTAINED NUMEROUS LEADS FOR SUBSTANTIAL SALES AND AGENCY POSSIBILITIES.

(9) HOLSTEIN FRIESIAN ASSOCIATION TOOK ORDERS FOR 2100 HEAD OF CATTLE WORTH OVER \$2 MILLION, INCLUDING 1500 FOR BULGARIA. OTHER DISCUSSIONS INCLUDED HUNGARIAN BUYERS AND A NEW MARKET AREA IN POLAND. PROSPECTS FOR 12 MONTH SALES ARE EXCELLENT. ONE HFA OFFICIAL STATED "THIS YEAR'S RESULTS MAKE UP FOR TWO LEAN YEARS. WE SEE THE NECESSITY FOR A CONTINUING PRESENCE AT THIS FAIR".

(10) CARNATION GENETICS AND AMERICAN BREEDERS SERVICES, COMING IN AS MEMBERS OF NATIONAL ASSOCIATION OF ANIMAL BREEDERS, TOOK ORDERS FOR NEARLY \$50,000 OF SEMEN. THEIR REPRESENTATIVES PLAN TO FOLLOW UP ON ADDITIONAL CONTACTS LATER THIS YEAR. OTHER USDA COOPERATIONS RENEWED OLD CONTACTS AND MADE SOME NEW ONES.

EXHIBIT ORGANIZATION

4. TO MINIMIZE USG EXPENDITURES MISSION INITIATED AN INTERAGENCY

APPROACH TO MOUNT THE U.S. EXHIBIT AND CARRIED OUT MOST OF THE WORK. THE EFFORT REQUIRED CONSIDERABLE MISSION RESOURCES AND MANY MANHOURS OF LABOR BY EMBASSY'S COMMERCIAL AND ADMINISTRATIVE SECTION, AGATTACHE'S OFFICE AND USIS. WORKING WITHIN LIMITED FAIR BUDGET, USIS EXHIBITS PERSONNEL CREATED ATTRACTIVE EXHIBITION WITH RPO VIENNA-PROVIDED PHOTO PANELS, MURAL, AND DECORATIVE MATERIALS AROUND A CENTERPIECE CONSISTING OF A SILO AND RELATED FEEDING EQUIPMENT FROM REX VIENNA. USIS PUBLICATIONS STAFF PRODUCED ALL NECESSARY BROCHURES, FORMS AND OTHER PRINTED MATERIALS. USIS SUPPORT WAS ESSENTIAL TO

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SUCCESS OF EXHIBIT.

RECOMMENDATIONS

5. THE MISSION RECOMMENDS ANOTHER U.S. EXHIBIT AT 1976 NOVI SAD FAIR. THE SUCCESS OF THIS YEAR'S FAIR IN INTRODUCING NEW FIRMS AND IN PROMOTING SALES REFLECTS: (1) THE SEVERAL HUNDRED MILLION DOLLARS YUGOSLAVIA IS COMMITTED TO SPEND ANNUALLY ON THE AGRICULTURAL SECTOR AS ONE OF THE COUNTRY'S TOP DEVELOPMENT PRIORITIES; (2) THE DEMAND FOR U.S. PRODUCTS AND TECHNOLOGY; (3) THE INTEREST OF U.S. FIRMS, LARGE AND SMALL, IN THE YUGOSLAV MARKET AND; (4) SIGNIFICANCE OF THE NOVI SAD FAIR AS THE BEST VEHICLE FOR INTRODUCING ADDITIONAL FIRMS AND PROMOTING U.S. PRODUCTS IN THIS FIELD.

IN ADDITION TO PROMOTING U.S. AGRICULTURAL PRODUCTS AND RESPONDING TO COMMERCE'S ANTI-RECESSION CAMPAIGN ON AGRICULTURAL MACHINERY, U.S. EXHIBIT IN 1976 SHOULD BEGIN PROMOTION OF TARGET FOOD PROCESSING INDUSTRY. A COORDINATED INTER-AGENCY EXHIBIT WILL PROVIDE THE MOST EFFECTIVE AND ECONOMICAL APPROACH.

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